

Central Air Quality Install Residential AC Program



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Xcel Energy Territory

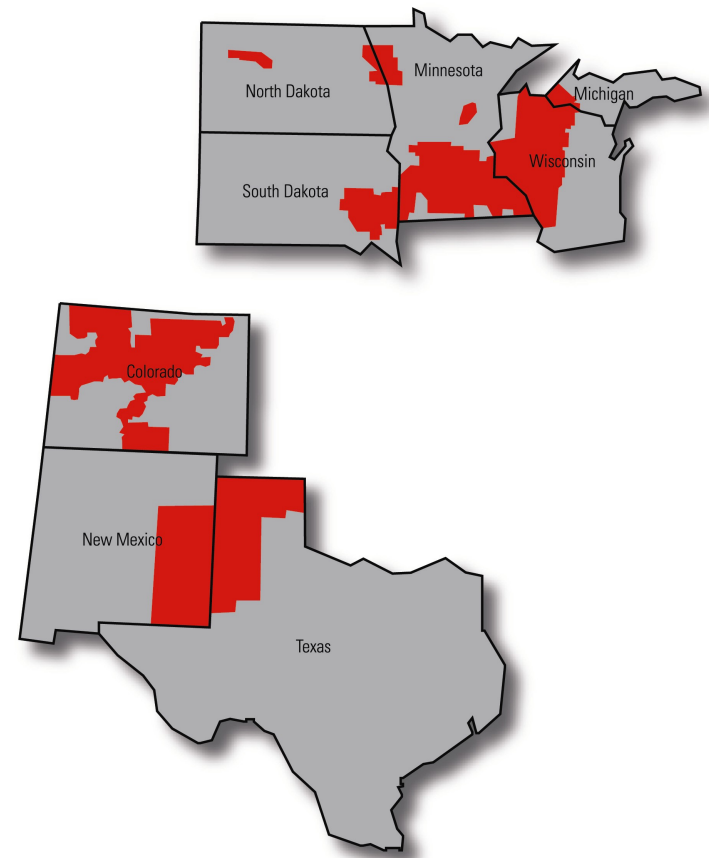
Comprehensive portfolio of energy-related products and services in 8 Western & Midwestern states

- 3.4 million electric customers
- 1.9 million natural gas customers
- 99,250 miles T&D lines
- 9,446 miles distribution pipeline
- 135 miles transmission pipeline

Minnesota:

1.08 million electric customers

396,000 gas customers



Quick History

- Residential cooling rebate program since 1980s
- Equipment-based rebate program ended 2006
- CAC Quality Installation (QI) – March 2007
 - From ~20,000 AC installs to 5,000
 - From ~1,000 contractors to 200
- CAC QI launched in Colorado – May 2009

MN Goals

'07 – 5,000

'08 – 7,000

'09 – 9,000

MN Actuals

6,500

8,200

Est. 9,900

QI Program Objectives

- **Help customers:**
 - **save energy**
 - **experience long-term operating costs**
 - **gain interest in other conservation programs**
- **Smooth energy demand and reduce need for additional power plants**
- **Help preserve natural resources**

Launching CAC QI

- Alert trade partners to upcoming change
- Train trade & get them certified
- Train call center agents
- Educate customers to benefits of QI
- Switch focus from efficiency-only to:
 - Sizing
 - Airflow
 - Refrigerant charge
 - Duct sealing

HVACReduction Exam

- **Xcel pays for first exam**
- **Test is NATE recognized**

Issues:

- **Only 40-50% pass first attempt**
- **Techs switch employers, leaving previous employer without a certified tech**
- **Passing the exam does not necessarily mean quality installation practices**

Measurement & Verification

- Review 10% of goal/year via third party
- Follow-up with contractors
- Field tests begin summer 2009
 - Check ~1% of goal
 - Need 3rd party, trusted reputation
 - Issues:
 - Expensive
 - Customers must be home

Eligibility

Customer:

- **Equipment installed in residential dwelling where Xcel supplies electricity**
- **Use registered contractor**
- **No double dipping**

Trade:

- **Xcel Energy ID (register online)**
- **One tech per business passes exam**
- **Tested tech signs rebate forms**

Equipment Eligibility

- **Coil/condenser MUST match per AHRI**
- **Rebate new equipment only**
- **Multiple rebate checks allowed for single home**

Issues

- **Contractors don't verify inventory before offering rebates to customers**
- **AHRI retests/verifies equipment w/o notice, contractors and utility caught off guard**

External Process

1. Customer contacts registered trade partner
2. Load calculation - file copy
3. Contractor verifies coil & condenser match
4. Unit installed
5. Unit is tested
 - . Outdoor temp 55+ degrees or manufacturer standard
 - . Indoor 70 degrees
6. AC rebate form completed, signed by tech/customer
7. Submit with invoice & AHRI certificate (optional) to Xcel Energy

Internal Process

1. Xcel receives application with invoice and AHRI certificate (optional)
2. Equipment verified on AHRI
 - Important to define “verification date” – day form is processed, not the day it arrived nor day unit was installed.
3. Form & invoice reviewed for completion
4. Data entered into customer online account
5. Rebate check cut
6. About 6 weeks start to finish

Program Benefits

- **Contractor**

- Distinction
- Raise the bar
- Ensure true energy savings
- Fewer call-backs

- **Customer**

- Optimal equipment efficiencies
- Improved home comfort
- Awareness of QI
- Increased interest in pursuing other conservation efforts or programs

2009 Rebate Schedule

Minimum SEER	Customer Rebate	Trade Rebate
13.0-13.9	\$0	\$30
14.0-14.9	\$180	\$0
15.0-15.9	\$280	\$0
16+	\$330	\$0

Customer Awareness

- **Contractor Communications**
- **Print, Banner, Radio Advertising**
- **Bill Inserts and Newsletters**
- **Trade Magazines and Public Relations**
- **Literature**
- **Web-based Marketing**
- **Tradeshows & Industry Presentations**
- **Customer Call Centers**